



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed August 17, 2017


United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

IN RE:	§	CHAPTER 11
	§	
FOUNDATION HEALTHCARE, INC.,	§	CASE NO. 17-42571-rfn-11
	§	Lead Case
DEBTOR.	§	
	§	Complex Case
-----	§	Jointly Administered
	§	
IN RE:	§	CHAPTER 11
	§	
UNIVERSITY GENERAL HOSPITAL, LLC,	§	CASE NO. 17-42570
	§	
DEBTOR.	§	Complex Case
	§	Jointly Administered
-----	§	Under Lead Case

ORDER AUTHORIZING THE DEBTORS TO DISPOSE OF PATIENT RECORDS

COMES FOR CONSIDERATION the *Debtors' Motion For an Order Authorizing the Debtors to Dispose of Patient Records* (the "Motion")¹ filed by debtors and debtors in possession,

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

University General Hospital, LLC (“UGH”), and Foundation Healthcare, Inc. (“FHI,” and collectively with UGH, the “Debtors”) on July 14, 2017, pursuant to Sections 351 of Title 11 of the United States Code (the “Bankruptcy Code”) in the above-referenced Chapter 11 cases.

After having reviewed the Motion, the Court finds that it has jurisdiction to grant the relief requested in the Motion pursuant to 28 U.S.C. §§ 1334 and 157.

The Court further finds that due and adequate notice of the Motion has been given and no further notice is necessary.

The Court further finds that the Debtors are “health care businesses” as such term is referenced in Section 351 of the Bankruptcy Code and defined in Section 101(27A) of the Bankruptcy Code.

The Court further finds that the Debtors do not have sufficient funds to pay for the storage of their Patient Records in the manner required under applicable federal or state law.

IT IS THEREFORE,

ORDERED that the Motion is hereby **GRANTED**. It is further

ORDERED that the Debtors, or their agents, including, but not limited to any liquidating trustee appointed by the Court, are authorized to dispose of the Patient Records in the manner prescribed in Section 351 of the Bankruptcy Code and are directed to publish notices in the appropriate newspaper(s) in those locations where they operate as soon as possible. Furthermore, for Patient Records where no contact information is electronically accessible, the Debtors are authorized to provide such notice via social media, message boards, websites or other like technology. It is further

ORDERED that notwithstanding anything to the contrary set forth herein, all payments and obligations authorized by, and any authorizations contained in, this Order are subject to the terms,

conditions, limitations, and requirements of the DIP Order, together with any approved budgets in connection therewith, or any subsequent DIP financing Order (and accompanying budget thereto) in effect as of the time such payment is to be made. It is further

ORDERED that nothing in this Order or the Motion shall otherwise alter or impact any existing rights of Cambridge Properties (“Cambridge”) against the Debtors and nothing in this Motion or Order shall otherwise alter or impact any existing rights of the Debtors against Cambridge, with all such rights of Cambridge and the Debtors being reserved and preserved. It is further

ORDERED that this Court retains jurisdiction over the enforcement and interpretation of this Order.

END OF ORDER

Submitted by:

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